



MECN
Media & Entertainment Consulting Network

The German Betting and Gambling Market - Report Liberalising a giant gambling market

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Go to www.germany-gambling.mecn.net to obtain full report.

In cooperation with the following legal experts:

Arendts ■ Anwälte

Summary

In March the EU Commission issued its concluding opinion on the German federal/national liberalisation plans. Although this statement will not end the political discussions and many issues still have to be worked out in detail, for the time being this is the final step toward a liberalisation of the German gambling market.

The discussion about the liberalisation of the German betting and gambling market has been going on since the Gambelli decision of the ECoJ back in 2003. Now, years later, the course is set for the liberalisation, and from 2012 on the German gambling market will be very different from what it is now.

In recent months, MECN has remained silent in order to avoid intervening in the political discussion and focus on our role as objective researchers. But now it's time to get back to MECN's home turf.

A giant moves toward liberalisation

Two potentially giant gambling markets - Germany and the U.S. - are moving toward liberalisation. But whereas liberalisation of the U.S. market is still only a future potential, Germany is ready to get the liberalisation of the gambling market underway now. And the facts are compelling:

- **Size matters with EUR 45 billion on the table** – In 2011 Germans wagered (turnover) a total of nearly EUR 45 billion, and gross revenues topped EUR 10 billion, with gambling machines leading the way.
- **Online gambling worth ca. EUR 1 billion and will grow to EUR 1.7 billion by 2015** – The licensed online gambling market must start from scratch again because online gambling was almost completely prohibited in recent years. And there is a big market share to grab: according to MECN's estimate, the grey online gambling market is worth ca. EUR 1 billion (gross revenues), with online poker the biggest segment (the second biggest market worldwide).

MECN and industry experts expect that by 2015 the total online gambling market (licensed and unlicensed) will grow to EUR 1.7 billion, with online lotteries driving this development.

- **Economic stability** – Whereas other regions scheduled for liberalisation (e.g., Spain, Greece) are at the same time undergoing serious economic downturns, Germany, already Europe's largest economy, enjoys stable growth with record-breaking employment rates.

Liberalisation raises many complex issues

Particularly after the experience in other markets such as France, the announcement of a coming market liberalisation no longer prompts immediate enthusiastic applause but rather gives rise to important questions: What are the tax rates? What other regulations will be imposed (e.g., advertising restrictions, online identification processes, IT systems, ...)? What is the size of the market? How much will the market still grow, or is it perhaps already saturated? What happens to existing German .com-customers?

Increased complexity calls for more sophisticated analyses

The increased complexity of the market has also led to increased demands on market research and analyses - simple and short answers no longer work. Therefore, MECN spent several months compiling the most comprehensive, detailed, and objective report (ca. 120 pages) on the German betting and gambling market (not a commissioned study).

Content of the report

The complex analyses cover many highly relevant issues:

- **Liberalisation on the federal/national level** – Up-to-date and in-depth information and analysis about the ongoing federal liberalisation (new Interstate Treaty on Gambling), including detailed explanations of regulations (e.g., taxes, ...).
- **Schleswig-Holstein licenses** – Comprehensive and authoritative analysis of the liberalisation (incl. betting, casino, and poker) in the German state of Schleswig-Holstein. This includes in particular a discussion of the relevance of this license for any nationwide offers in Germany.

- **2011 market figures** – In-depth assessment of market sizes up to 2011. In particular, we focused on the retail and online sports betting market, and in some cases our market estimates differ significantly from several other earlier market evaluations.
- **Forecasts to 2015** – Detailed forecasts (to 2015) for all online gambling segments as well as for the retail sports betting market.
- **Analyses of all sectors** – The report analyses all sectors of the German gambling market (betting, lottery, casinos, and gambling machines) with a special focus on sports betting and online gambling.
- **Analyses of operators' strategies** – Analyses of operators' strategic plans for Germany, relevant online and retail players today and in the future, ...
- **Unique insights through a survey of market insiders** – Many analyses are based on the results and unique insights we gathered from our extensive survey of German market insiders and operators.

Support of top local experts

As with our previous reports, MECN was again able to gain the support of top local experts as partners for the report. For the legal and regulatory chapters, for example, we cooperated with several renowned experts including the lawyers of Arendts Anwälte. In addition, the researchers Ingo Fiedler and Ann-Christin Wilcke of the University of Hamburg provided unparalleled insights into the German online poker market.

In total, the report has ca. 120 pages and 88 graphs/exhibits.

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Mentioned companies

888	Diakonie	Paddy Power
Admiral	Digibet	Pagobet
Aktion Mensch	Digidis	PMU
Albers Wetten	Eurogrand	PokerStars
ARD Fernsehlotterie	EuroLotto.com	Primebet
Austrian Lotteries	Eurosport	RTL
Austrian Vendo	Expekt	SOBET
Baden-Württembergische Spielbanken	FDJ	Schwechat
Bayerische Spielbanken	GamingVC (Casinoclub)	SKL
Bet3000	Gauselmann Group	Sky
Bet365	Goalbetter	Sport1
Bet-at-home	Happybet	Sportingbet
Betclic Everest	Holtzbrinck	Springer
Betfair	International Betting Association	Stanleybet
Betsson	Interwetten	Stargames
Burda	Intralot	Sunmaker
Bwin.Party	Jahr+Achterfeld	Sybilgroup
Cashcade	Jaxx	Tipico
Cashpoint	Ladbrokes	Tipp24
Casinos Austria	Lottomatica	TopSport
Casinos Baden-Württemberg	Merkur	Totobet
Casinos Saxony-Anhalt	Megabet	Unibet
Casinos Schleswig Holstein	Microgame	VDAI
Cherry	Mybet	Westdeutsche Spielbanken
Deutscher Buchmacher Verband	NKL	WestLotto
Deutscher Lotto- und Totoblock (DLTB)	Novomatic	Wettpunkt
Deutscher Lottoverband	Oddset	William Hill

Sample pages of report

The collage displays several pages from a report, including:

- Market overview:** A bar chart showing market size and revenue trends.
- Market forecasts:** A line graph projecting future market growth.
- Market segmentation:** A pie chart showing the distribution of different market segments.
- Textual analysis:** Various sections of text providing detailed insights into the market's structure and challenges.

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MECN

MECN is a network of experts on issues concerning the media and entertainment industry. Together we provide in-depth knowledge, analysis, and advice to global clients. For the gambling industry, we provide market insights and strategic support to various clients ranging from bookmakers to state/public operators.

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ARENDS ANWÄLTE is one of the leading law firms for gaming and betting law in Germany (www.gaminglaw.de). Clients include many private bookmakers and remote gaming operators, licensed in the U.K., Austria, Malta, and Gibraltar, as well as affiliates and media companies in Germany.

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